

Law Offices Of  
**MORRIS L. SILVER, ESQ.**  
THE KELLOGG FARM  
Stage Road  
Post Office Box 606  
Benson, Vermont 05731-0606  
Telephone 802-537-2264  
Fax 802-537-2265  
MLSILVER@SOVER.NET

June 3, 2010

Ms. Susan M. Hudson, Clerk  
Vermont Public Service Board  
Chittenden Bank Building, Fourth Floor  
112 State Street, Drawer 20  
Montpelier, Vermont 05620

Re: Board Rule 5.500 - Interconnection Requirements - Draft Model Agreements

Dear Ms. Hudson:

Please accept this letter as Central Vermont Public Service Corporation's ("Central Vermont," "CVPS" or the "Company") reply to the comments on the draft Model Agreements submitted by the Interstate Renewable Energy Council ("IREC") by letter dated May 21, 2010 in the above referenced matter. These comments supplement Central Vermont's corrected initial comments filing of May 22, 2010. These comments are organized to provide a point-by-point discussion where the Company takes issue with the comments offered by IREC.

At page 2 of its comments, IREC states:

...Interconnection Requests should not be charged by a utility to gather up baseline information on its system related to SADI/SAFI reliability information and existing studies on fault current and power flow information on the Interconnecting Utility's system. The production of this baseline information is already required for the general operation of an Interconnecting Utility's system and provides a baseline for comparison of the system prior to interconnection of the Project and related system impacts. Moreover, this baseline information is essential to showing the power quality provided by the Interconnecting Utility prior to the installation of the Project which can be helpful in addressing future disputes over power quality.

Id. While CVPS agrees that the Interconnection Requester should not be required to pay for information or studies that the Interconnecting Utility has performed or for data available to the utility, it is not always the case that a Vermont utility has SAIDI/SAIFI reliability information or existing studies on fault current and power flow for every element of its system. Moreover,

while determination of SAIDI and SAIFI are required, they have little bearing on an interconnection study. Fault current and power flow on distribution lines are generally developed on an "as needed" basis. To the extent that specific information is required in order to properly conduct the interconnection studies that the Interconnecting Utility does not have, CVPS maintains that it is reasonable to charge the Interconnection Requester for the development of such information or the performance of such studies.

At page 3, of its comments, IREC states:

Section 5.0.1 of the Draft Feasibility Study Agreement and the Draft System Impact Study, and Section 4.0 of the Draft Facilities Study Agreement all require the Interconnecting Utility to notify the Interconnection Requester of an increase in the cost of the study that is "material". IREC believes it is important to clarify what is meant by "material" change in the cost of the Studies. To provide some clarity here, IREC suggests that "materially" be defined in a footnote as 10% of the original estimated study cost.

Id. While CVPS agrees that it is important for the Interconnecting Utility to keep the Interconnection Requester abreast of changes in the cost of interconnection studies, the Company cautions that utility financial reporting systems are not well suited to managing and reporting costs within the same accounting period at the level of granularity necessary to identify a potential \$100 or \$200 change in the cost of an interconnection study. Utility accounting systems have generally been designed to provide monthly cost reports. A \$100 to \$200 change could mean that an individual spent only a few additional hours on a project. Creating a specific definition for materiality in this context will require that utilities enhance their accounting and reporting systems to serve this function which could result in substantial cost that is not justified by the value of the effort to the Interconnection Requester or other utility customers. Accordingly, CVPS does not recommend that the materiality concept as used in this aspect of the draft agreements be linked to a specific threshold and that utilities should be given latitude to do their best to meet the standards contemplated there under.

At page 3, IREC expresses a deep concern about the inclusion of a term of years in the draft Model Generation Interconnection Agreement. CVPS addressed this issue in its initial comments and continues to favor the inclusion of such a term. To help address IREC's concerns, the Company suggests that the term of years be linked to the duration of the generator's supply agreements or default to ten (10) years, whichever is longer. For the reasons previously described, the Company believes that continuation of this longstanding practice is reasonable and should not be altered at this time.

With regards to Section 8.0.1 of the draft Model Interconnection Agreement, IREC states:

The relay settings for inverters are specified in IEEE 1547 and UL 1741 tests for conformity to this standard. Accordingly, all UL 1741 compliant inverters have

the same relay settings and, accordingly, providing these relay settings, which never change, is merely a waste of resources.

Id. Central Vermont disagrees with this recommendation. Pursuant to IEEE 1547 at Section 4.2.3:

For DR less than or equal to 30 kW in peak capacity, the voltage set points and clearing times shall be either fixed or field adjustable. For DR greater than 30 kW, the voltage set points shall be field adjustable.

Id. Pursuant to IEEE 1547 at Section 4.2.4:

For DR less than or equal to 30 kW in peak capacity, the frequency set points and clearing times shall be either fixed or field adjustable. For DR greater than 30 kW, the frequency set points shall be field adjustable.

Id. A call made by CVPS engineering staff to an inverter manufacturer confirmed that some settings are field adjustable. As such, the statement "providing these relay settings, which never change, is merely a waste of resources" appears to be in error and the Company rejects its application at this time.

With regards to Section 9.1.5 of the draft Model Interconnection Agreement, IREC states:

For the purposes of this section, material is defined as a change to the Generating Facility that would cause it to fail one or more interconnection screens.

Id. CVPS disagrees.

The Fast Track criteria are guidelines used early on in the interconnection process to determine if in depth studies are warranted. They are intended as preliminary, high level screening tools that do not address all aspects of safe, reliable interconnections. Any attempt to limit an Interconnecting Utility's ability to disconnect a NUG for possible safety or reliability concerns could endanger the NUG, the utility's personnel, and the public at large. To define a "material change" as only "a change to the Generating Facility that would cause it to fail one or more interconnection screens" could potentially exclude a host of possible changes that could render the facility unsafe or unreliable.

Interconnecting Utilities are tasked with maintaining and operating a very complex electric system in an efficient, safe, and reliable manner. Stripping away the authority to disconnect a generator undermines the authority necessary to accomplish this task. If the generator feels they were unjustly disconnected by the Interconnecting Utility, there is a dispute resolution process built into the draft Model Interconnection Agreement and a forum at the Board for resolution of the concern.

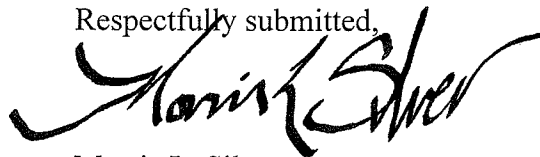
Moreover, material modifications should also include any modifications to the existing design documentation that has been submitted throughout the interconnection process and used during the study processes. Keep in mind that the application process requires a one-line diagram that has been stamped and signed by a professional engineer. Any changes to such drawings, or the systems that support the drawing, need to likewise be stamped and signed by a professional engineer. So a "material modification," in addition to what has otherwise been discussed, needs to cover:

1. Design Changes (*i.e.*, control systems, relay protection, metering); and
2. Operational Changes (*i.e.*, switching).

Another way to consider what constitutes a "material modification" is to consider any change in the generating facility's design that would (a) cause it to fail one or more of the interconnection screens; or (b) result in a safety, reliability or power quality issue affecting the NUG, other customers, members of the public, or utility' employees. Taking all of these considerations into account will help to better paint a picture of what constitutes a "material modification" and should be recognized in the administration of the interconnection process.

Central Vermont very much appreciates the opportunity to offer these reply comments. While the Company takes issue with some points of the raised by IREC, Central Vermont believes that the organization has played constructive role in the development of the draft Model Agreements. Should you have questions concerning this submission, please do not hesitate to contact me. In the mean time I remain

Respectfully submitted,



Morris L. Silver  
Counsel for Central Vermont Public  
Service Corporation

MLS/m  
cc: Electronic Service List